limits of such compatibility. However, in regulating point-of-entry technology and picture coding today, the Commission should keep in mind the goal of preserving the capability of integrated consumer electronics equipment to process both broadcast and non-broadcast services.

A basic tenet of broadcast economics is that complexity should occur in the installations with the fewest number of units. Bearing the one-time cost of standardization is more efficient than dealing with ongoing compatibility and redundancy problems. Common picture coding techniques, along with point-of-entry conversion, may preserve the ability of consumer receivers to tune competing non-terrestrial broadcast services.

CONCLUSION

A competitive market spawns innovative product development and superior customer service. The consumer electronics industry has remained both competitive and at technology's leading edge. Consumer electronics products continue to advance in their value and durability. They are readily accepted by consumers because their functions are integrated.

MECA has urged that the Commission choose competition, hence it should choose national standards. Signal security systems, to the extent they do not involve the consumer's equipment, may be chosen by cable systems. Other cable encryption matters, such as frequency, signal coding, and

modulation, where standard specifications are necessary for consumers to continue to own their own equipment, should not be arbitrary or local. The markets for cable television signals, programming, and receiving equipment are no less national than the markets for broadcast signals, programming, and receiving equipment. Compatibility, hence competition, should reign in each.

Respectfully submitted,

MATSUSHITA ELECTRIC CORPORATION
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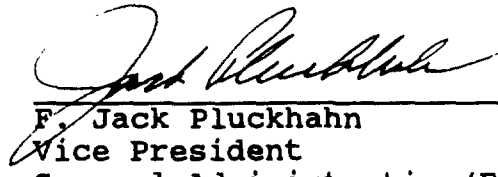
By: 

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